

STATE OF WASHINGTON
WASHINGTON STATE LIQUOR CONTROL BOARD

RULE PURPOSE STATEMENT

I. TITLE:

1. WAC 314-20-100 - Beer Wholesale Price Posting.
2. WAC 314-20-105 - Beer Supplier's Price Filings, Contracts and Memoranda.
3. WAC 314-24-190 - Wine Wholesale Price Posting.
4. WAC 314-24-200 - Wine Supplier's Price Filings, Contracts and Memoranda.

II. DESCRIPTION OF PURPOSE:

The rules presently in effect set forth the provisions under which the Board actively administers a program of wholesale price postings and supplier price filings for the purpose of ensuring that industry selling prices meet legal requirements and that all licensees making purchases under Title 66 RCW are treated equally by the seller. The purposes of the principal revisions are:

- a. To amend the rules governing beer price postings and beer supplier filings (1 and 2) to provide for filings being made once a month and being in effect for a calendar month.
- b. To amend all price posting and supplier filing rules (1 through 4) to provide for more orderly administration of the rules by the Board, reducing the problems encountered by licensees in respect to maintaining compliance with the rules, and incorporating into the rules certain administrative procedures which had previously been established in order to remedy deficiencies of the existing rules.

III. STATUTORY AUTHORITY FOR THE RULES:

RCW 66.08.030, RCW 66.08.050(6), and RCW 66.20.010.

IV. SUMMARY OF RULES AND REASONS SUPPORTING PROPOSED ACTION:

A. SUMMARY OF PRINCIPAL CHANGES

1. The principal changes and/or new provisions which are incorporated in individual rules are as follows:

a. 314-20-100.

- (1) Posting dates and the length of time postings are to remain in effect are provided for. A posting filed with the Board no later than the fifth day of the month becomes effective on the first day of the next calendar month and remains in effect for a minimum of 30 days.

- (11) A provision is made for newly licensed beer wholesalers filing price postings and, upon approval, the postings going into effect immediately.

b. 314-20-105

- (1) Filing dates and the length of time which filings are to remain in effect are provided for. A filing received by the Board no later than the 15th day of the month would become effective the first day of the second calendar month following the date of filing and remain in effect for a minimum of 30 days.



- (11) An exception to the rule is made (subsection (8)) under which certain sales between licensed wholesalers can be made without price filings being in effect.

c. 314-24-190

- (1) Postings are to be filed by the fifth day of the month in order to become effective on the first day of the next calendar month.

d. 314-24-200

- (1) Supplier filings are to be received by the Board by the 15th of the month in order to become effective on the first day of the second calendar month following.

- (11) An exception to the rule is made (subsection (7)) under which certain sales between licensed wholesalers can be made without price filings being in effect.

2. The principal changes and/or new provisions which are incorporated in all the rules in question are as follows:

- a. A provision is made under which the Board may, for good cause shown, extend the date on which postings or filings are required to be received.
- b. A posting or filing is deemed to have been filed with or received by the Board on the date shown on the postmark when the documents are deposited in the United States mail.
- c. Provisions are made for temporary price reductions being posted or filed and having an effective period of one calendar month.
- d. Provisions are made for postings or filings being made upon a reasonable facsimile of forms prescribed and furnished by the Board.

B. REASONS FOR PRINCIPAL CHANGES

1.a. 314-20-100

- (1) The change provides for monthly beer postings as opposed to previous provisions for postings filed on any date chosen and effective 15 days from date of receipt. Petitioner states the change will provide for:

"A more orderly system for posting consistent with the present wine posting rules and thereby assist in reducing administrative problems through the adherence to a set monthly schedule and a foreseeable reduction in the volume of postings which should result in administrative savings for both the public and private sector."

- (11) The change is made in order to facilitate a newly licensed beer wholesaler selling to retail licensees immediately on issue of the license rather than having to wait the prescribed period of time required for a posting to go into effect.

1.b. 314-20-105

- (i) The change provides for beer supplier filings on a monthly basis as opposed to previous provisions for filings on any date chosen and effective 15 days from date of receipt. Petitioner states the change will provide for:

"A more orderly system for posting consistent with the present wine posting rules and thereby assist in reducing administrative problems through the adherence to a set monthly schedule and a foreseeable reduction in the volume of postings which should result in administrative savings for both the public and private sector. Further, it should allow suppliers to consolidate prices, thus allowing retailer an opportunity to pass discounts on to the customer."

- (ii) Sales between licensed wholesalers which are referred to as accommodation sales and meet certain criteria are exempt from the requirements for supplier filings. This is done for the purpose of reducing the administrative burden imposed on both the Board and industry and to ensure that there are no artificial barriers to reasonable transfer of inventory between wholesalers appointed to sell the brands transferred.

1.c. 314-24-190

- (i) The date for filing postings has been changed from the 15th day of a month to the 5th day of a month in order to provide for more orderly and timely processing and to reduce administrative problems.

1.d. 314-24-200

- (i) The date for suppliers filing prices with the Board has been changed from the 25th day of a month to the 15th day of a month in order to provide for more orderly and timely processing and to reduce administrative problems.

2.a. The change is made in order to provide discretionary authority under which the Board may allow postings or filings to go into effect when the party submitting said documents can satisfactorily establish that for reasons beyond their control, or for good cause, they were unable to submit the required documents by the filing deadline. This will eliminate the necessity of disapproving filings or postings for purely technical reasons and such disapproval creating a hardship for the industry member.

2.b. Providing for the postmark date being the effective date of receipt is done for the purpose of making it easier for industry to meet filing deadlines and to ensure that licensees in remote locations are not discriminated against.

2.c. The provisions for temporary price reduction filings have been incorporated into the rule to properly reflect procedures which are already being followed by policy.

2.d. The provisions for reasonable facsimile in lieu of Board supplied forms are made to facilitate industry members at their option filing computer generated documents and realizing a substantial cost saving.

V. AGENCY PERSONNEL INVOLVED:

In addition to the Board, the following agency personnel have responsibility for drafting, implementing, and enforcing these rules:

Jim Halstrom, Supervisor
Manufacturers/Importers/Wholesalers Division
Capital Plaza Building
Olympia, Washington 98504
Telephone (206) 753-6273.

VI. PERSONS OR ORGANIZATION PROPOSING RULES:

The most substantial changes in the above rules were proposed in a petition submitted by the Washington Beer and Wine Wholesalers Association, Inc. Other technical changes and changes made for the purpose of simplifying administration of the rules are proposed by the Washington State Liquor Control Board.

VII. AGENCY COMMENTS:

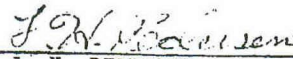
In respect to the changes outlined in Section IV.1., the Board feels the petitioner's proposal and stated justification has sufficient merit that consideration should be given to these changes and a public hearing should be held for the purpose of all members of the industry having input.

In respect to the changes outlined in Section IV.2., these modifications should simplify administration of the rules and make it possible for industry members to comply with the rules in a more economical and orderly manner.

VIII. NECESSITY OF RULES:

None of the above rules were made necessary as a result of federal law or federal or state court action.

Submitted in accordance with RCW 34.04.045 and RCW 34.04.025 this 5th day of May 1982.


L. H. PEDERSEN
Member of the Board